

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

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FM AMEMBASSY QUITO

TO SECSTATE WASHDC 874

C O N F I D E N T I A L QUITO 5067

E.O. 11652: GDS

TAGS: ENRG EC

SUBJ: ADA CASE

REF: QUITO 4942

1. I CALLED ON THE SUBSECRETARY OF FOREIGN RELATIONS, JOSE AYALA, ON JULY 16 TO DISCUSS THE ADA CASE. HR TOLD AYALA THAT I HAD BEEN ENCOURAGED WHEN SHORTLY AFTER MY ARRIVAL THE GOE RENEWED CONTACT WITH ADA AND AGREED TO RECEIVE ADA OFFICERS AT THE CABINET LEVEL. THE ADA CASE HAD COME UP FREQUENTLY DURING MY BRIEFINGS IN STATE AND TREASURY SO THAT I WAS KEENLY AWARE OF THE IMPORTANCE OF FINDING A SOLUTION. HOWEVER, IN THE AFTERMATH OF THE JULY 1 MEETING BETWEEN ADA OFFICERS AND MINISTER VARGAS AND ATTORNEY GENERAL ERAZO, I HAD BECOME CONCERNED THAT THE GOE MIGHT NOT BE CONTEMPLATING ANY FURTHER ACTION LOOKING TOWARD A SETTLEMENT. WHILE WE HAD NOT EXPECTED THE GOE SIDE TO DO MORE THAN LISTEN DURING THE JULY 1 MEETING, WE DID EXPECT THAT THE GOE WOULD RESPOND SUBSEQUENTLY WITH A CONCRETE PROPOSAL. IT APPEARED, HOWEVER, FROM THE DCM'S CONVERSATION WITH CANADAS (REFTE) THAT THE GOE MIGHT BE WAITING FOR SOME NEW INITIATIVE BY ADA, WHICH WAS NOT IN THE CARDS. IT WAS THE GOE'S MOVE. I WAS
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SHARING MY CONCERNS WITH HIM TO UNDERLINE THE IMPORTANCE

MY GOVERNMENT ATTACHED TO A SETTLEMENT OF THIS LONG-STANDING PROBLEM.

2. AYALA REPLIED THAT I SHOULD NOT BE DISCOURAGED. A REPORT IS BEING PREPARED TO THE SUPREME COUNCIL ON THE ADA CONVERSATION. HE DID NOT KNOW WHAT RECOMMENDATIONS IT WOULD CONTAIN BECAUSE THE MATTER WAS WITHIN THE JURISDICTION OF THE MINISTER OF NATURAL RESOURCES AND THE ATTORNEY GENERAL. BUT I SHOULD NOT ASSUME THAT THE GOE WOULD LET THE MATTER DIE. THE SUPREME COUNCIL WOULD MAKE A DECISION AND ADA WOULD HAVE A RESPONSE TO ITS DEMARCHE. WHETHER THE RESPONSE WOULD BE FAVORABLE OR NOT, HE COULD NOT AT THIS POINT SAY. HOWEVER, AYALA WENT ON, THE ADA CASE WOULD BE LOOKED AT IN THE FRAMEWORK OF THE PRESENT GOVERNMENT'S GENERAL POLICY OF TRYING TO RESOLVE PROBLEMS IN ITS RELATIONS WITH THE UNITED STATES. THE POLICY OF THE GOE WAS TO DO WHAT IT COULD TO REMOVE POINTS OF FRICTION AND AVOID CONFLICT, JUST AS IT HOPED THE U.S. WOULD.

3. COMMENT: I WOULD CHARACTERIZE AYALA'S REMARKS AS MILDLY ENCOURAGING. HE IS VERY PROFESSIONAL AND WEIGHS HIS WORDS CAREFULLY. ALTHOUGH HE DID NOT RULE OUT THE POSSIBILITY THAT THE GOE WOULD REBUFF ADA'S PETITION, I WOULD BE SURPRISED IF HE WOULD HAVE ADDED THE OBSERVATIONS ABOUT THE ADA CASE BEING VIEWED WITHIN THE OVERALL CONTEXT OF IMPROVING U.S.-ECUADOREAN RELATIONS WITHOUT SOME BASIS. BLOOMFIELD

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